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EXECUTIVE SECRETARIAT
ROUTING SLIP

Chrono

TO:		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	EXDIR		X		
4	D/ICS				
5	DDI		X		
6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/Pers				
14	D/OLL				
15	D/PAO				
16	SA/IA				
17	AO/DCI				
18	C/IPD/OIS				
19	NIO				
20	VC/NIC		X (For NIO/ECON)		
21					
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	SUSPENSE _____ Date				

Remarks

STAT

16 May 85
Date

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The Director of Central Intelligence

Washington, D.C. 20505

Executive Registry

85- 2017/1

15 May 1985

NOTE FOR: Vice Admiral John M. Poindexter, USN
Deputy Assistant to the President
for National Security Affairs

SUBJECT: National Defense Stockpile Goals Study

John:

I just returned from abroad a few hours before yesterday's NSC meeting on stockpile goals and had not had an opportunity to study the document. That's why I passed on commenting. I have since been able to get at it and I send you this memo to reflect my conclusion that while the study points a direction for action on the stockpile, further study with respect to specific materials, additional conflict scenarios, and collateral circumstances arising from the technology and requirements of weapons production and the economy is needed in order to implement a policy.

Bill

William J. Casey

Attachment

25X1

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ON-FILE NSC RELEASE INSTRUCTIONS APPLY

DCI EXEC REG

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15 May 1985

MEMORANDUM FOR: Assistant to the President for National Security Affairs

Deputy Assistant to the President for National Security Affairs

SUBJECT: National Defense Stockpile Goals Study

1. The NSC Staff-led study is in many respects superior to the studies done previously on this topic, including the 1979 study by FEMA. However, it is premature to use this study as the basis for broad and important policy conclusions.

2. In undertaking such a study it is of course necessary to make many assumptions and preliminary decisions in order to obtain concrete results. In this case, however, the nature and scale of the assumed conflict is too narrow to provide a reasonable basis for broad-based decisionmaking on the strategic stockpile. Specifically, further study should be undertaken which allows for several significantly different alternatives, such as:

-- A broader scale of conflict including hostilities in Africa which could disrupt the supply of important commodities.

-- A scenario which significantly disrupts the Atlantic or Pacific shipping lanes and posed high risks for transport.

-- A lower scale of conflict under which domestic economic activity and civilian demand was not curtailed so severely, including a less drastic interruption of oil supplies.

-- Analysis of the impact of Soviet Bloc activity in minerals markets during the conflict, either for military requirements or because of preemptive buying.

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SUBJECT: National Defense Stockpile Goals Study

3. It is also important to note that this study did not examine conditions in each affected industry in order to determine the potential for various industrial process bottlenecks, such as competing requirements for the capital goods needed to increase rapidly the extraction and processing of materials. Further study may be needed of peak wartime demand for particular materials taking into account the engineering of specific, high-technology weapons systems. On a related point, will the US have the technology in place to allow for substitution of materials to occur without unnecessarily long R&D and process engineering?

4. I further believe we need a more systematic review of the market and political impact of a policy of even selected disposals.

5. Thus, I do not believe that the NSC Staff-led study yet forms a broad enough basis for policy implementation.

William J. Casey

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